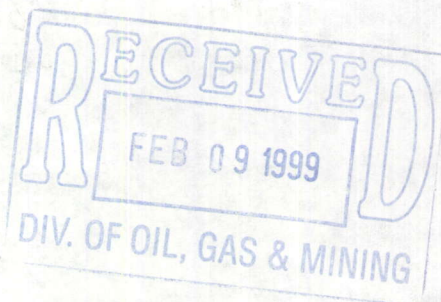


STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

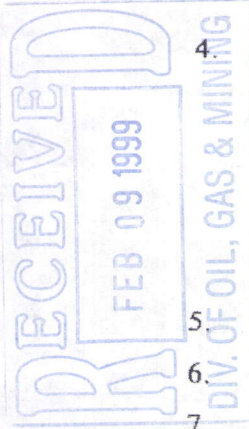
I. General Information

1. Report Time Period: From (mo./yr.) 01/98 To (mo./yr.) 12/98
2. DOGM File Number (Mine No): S 10271 056
3. Mine Name: NIELSON MINING ON KENTS PROPHECY
4. Mineral(s) Mined (or permitted to mine): PRECIOUS METALS & SHEELITE
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):  
SE 1/4, NE 1/4, SW 1/4, NW 1/4, Section 11, Township 19S, Range 14W  
RESERVOIRS SW 1/4, NW 1/4, Section 12, Township 19S, Range 14W  
1/4, 1/4, 1/4, Section, Township, Range
7. Name of Operator or Company: NIELSON MINING
8. Permanent Street Address: 3900 S. REDWING ST  
City, State, Zip: WEST VALLEY CITY, UTAH 84119  
Phone: 801-969-1863, CELL 599-6773, FAX 801-963-0607
9. Company Representative (or designated operator):  
Name: MARION K. NIELSON  
Title: PRESIDENT  
Business Address: \_\_\_\_\_  
City, State, Zip: SAME AS ABOVE  
Phone: \_\_\_\_\_  
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? \_\_\_\_\_
3. If yes - how much ore or mineral was mined? APPROX 1,500 lbs CONCENTRATE  
READY FOR TABLE





4.

Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

CONTINUED PROCESSING EXCAVATED MATERIAL  
WITH A TROMMEL SLUICE SYSTEM. APPROX  
500 YARDS OF MATERIAL PROCESSED.

5.

How much **additional** acreage was disturbed during the past year? APPROX 1/4 ACRE

6.

How much acreage was **reclaimed** during the past year? APPROX 1/4 ACRE

7.

Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

PREVIOUS EXCAVATING IS BEING RECLAIMED AS  
NEW AREAS ARE DISTURBED.

8.

What is the **total** disturbed acreage of entire project at years end? APPROX 1 ACRE

9.

Briefly summarize any mining and/or reclamation plans for the upcoming year.

FURTHER MINING IN DESCRIBED AREA.  
LEVELING & CONTOURING IS AN ONGOING FUNCTION

**NOTE:**

Section III., "Additional Information" applies only to **large mining operations**.

**III. Additional Information**

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

**IV. Signature Requirement**

**I hereby certify that the foregoing is true and correct.**

Name (Typed or Print):

MARION K. NIELSON

Title of Operator:

PRESIDENT

Signature of Operator:

Marion K. Nielson

Date:

23 Jan 1999